

ADVICE TO NEWLY LICENSED DEALERS

1. When you sell a used vehicle to a consumer, you are legally obligated to deliver the title (and any other transfer documents that are needed) to the consumer, or to the county clerk on behalf of the consumer, at the time of sale. Not a week later or a month later, but on the date of the sale.
2. If you do the transfer for the customer, you must see proof of insurance on the vehicle being sold (proof of insurance on the trade-in does not count). If you do not see proof of insurance on the sold vehicle, a 2006 Kentucky Supreme Court decision says that your insurance will be held responsible for damages caused by the negligence of your customer. You should keep a copy of the proof of insurance.
3. When you sell any vehicle to a consumer, you can put a temporary tag on it, but only one temporary tag can legally be issued per vehicle, per sale. There are no exceptions to this.
4. When you issue a temporary tag, you must keep a record of it; keep the record by tag number sequence, and include the tag number, the name of the buyer, the complete VIN, the year make and model, and the date of issuance.
5. When you sell a vehicle on a branded title, you must get the buyer's written acknowledgement that the brand was disclosed prior to the sale. If the disclosure is not in writing, and if it is not prior to the sale, it does not count.
6. If the Commission office does not have proof of your garage liability insurance coverage for any period longer than 30 days, your dealer license will be cancelled regardless of the reason for the insurance not being on file.
7. When you acquire a vehicle that is on a Kentucky title, you have to assign it into the dealership name at the clerk's office within 15 days of the date of acquisition, or before it is sold, whichever first occurs.
8. When you fill out an odometer disclosure, put down only the numbers that you see on the odometer itself. If the odometer shows only five (5) digits (up to 99,999) then write down only those numbers that you see – even if you know that the mileage is over 100,000, don't put a "1" in front of the number that appears on the odometer. If the number on the odometer does not tell the whole story, write down the number exactly as it appears on the odometer and then check either the box that says "The mileage stated is in excess of its mechanical limits," or the box that says "The odometer reading is not the actual mileage. Warning – Odometer Discrepancy."
9. Do not sell a vehicle that is on a salvage title to a retail customer for use. A vehicle on a salvage title cannot be legally operated on the road, except to take it for an inspection.
10. If you advertise, put either the word "dealer" or the dealership name in the text of the advertisement. Don't use any claims in an advertisement that are not true.
11. A Dealer Handbook comes with the license – read it.